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The Weld-Cellucci Emergency Plan for Fiscal Recovery

Feb. 1991 - June 1992

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WELD-CELLUCCI EMERGENCY PLAN FOR FISCAL RECOVERY
February, 1991 - June, 1992

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1991 FISCAL OUTLOOK:
FISCAL YEAR 1991 PROJECTED REVENUE AND SPENDING

REVENUE	
Revenue Projection as of 10/90	$13,531 million
Reduction to Revenue Projection as of 1/90:	
Lower Tax Collections	(324 million)
Repeal of Service/Sale Tax	(27 million)
Capital Gains Reduction	(90 million)
Other Non-Tax Revenue	(36 million)
Total Projected FY 1991 Revenue	**$13,054 million**

SPENDING	
Projected FY 1991 Spending as of 10/90	$13,620 million
Projected Increases to FY 91 Spending as of 1/91	(284 million)
Total Projected Spending FY 92	**$13,904 million**

BALANCE	
Projected FY 1991 Deficit	$850 million
Proposed Spending Cuts as of 1/28	(850.6 million)

1992 FISCAL OUTLOOK:
FISCAL YEAR 1992 PROJECTED REVENUE AND SPENDING

REVENUE	
Revenue Projection as of 10/90	$13,884 million
Reduction to Revenue Projection as of 1/90:	
Lower Tax Collections	(410 million)
Repeal of Service/Sale Tax	(156 million)
Capital Gains Reduction	(30 million)
Other Non-Tax Revenue	(32 million)
Total Projected FY 1992 Revenue	**$13,256 million**

SPENDING	
Projected FY 1992 Spending as of 10/90	$14,915 million
Projected Increases to FY 92 Spending as of 1/91	(161 million)
Total Projected Spending FY 92	**$15,076 million**

BALANCE	
Projected FY 1992 Deficit	$1,820 million
Proposed Spending Cuts as of 1/28	(1,840.1 million)
Proposed Increases in Spending	20 million

UNDERLYING PRINCIPLES USED IN DOWNSIZING

1) DO NOT HURT TRULY NEEDY.

2) NO NEW TAXES.

3) NO MORE BORROWING FROM WALL STREET.

4) PRESERVE PROPOSITION 2 1/2.

5) PRESERVE LOCAL AID TO MAXIMUM EXTENT POSSIBLE.

6) REPEAL SALES TAX ON SERVICES.

7) BRING BUDGET INTO BALANCE FOR FY91 AND FY92.

AREAS TO RECEIVE INCREASED FUNDING IN FY92

TEEN PREGNANCY PREVENTION	1 MILLION
AIDS	2 MILLION
FAMILY HEALTH	2 MILLION
WOMEN, INFANTS, CHILDREN (WIC)	3 MILLION
ELDER HOME CARE	4 MILLION
CORRECTIONS	4 MILLION
TOURISM	4 MILLION
TOTAL PROPOSED INCREASE	20 MILLION

FISCAL YEAR 1992
$1,840 Savings
(in millions)

PROGRAM AREA	SAVINGS/CUTS/REVENUES
ADMINISTRATION & FINANCE	132.3
BOARD OF LIBRARY COMMISSIONERS	1.8
CAMPAIGN FINANCE	0.2
COMMUNITIES & DEVELOPMENT	17.6
CONSUMER AFFAIRS	0.3
ECONOMIC AFFAIRS	8.2
EDUCATION	108.9
ELDER AFFAIRS	2.0
ENVIRONMENTAL AFFAIRS	0.7
ETHICS COMMISSION	0.0
GOVERNOR/LT. GOVERNOR	0.2
GOVERNOR'S COUNCIL	0.0
HEALTH & HUMAN SERVICES	618.8
INSPECTOR GENERAL	0.0
LABOR	0.1
PUBLIC SAFETY	7.7
TRANSPORTATION	47.2
ATTORNEY GENERAL	0.0
SECRETARY OF COMMONWEALTH	0.0
STATE AUDITOR	0.0
TREASURER	264.0
DISTRICT ATTORNEYS	0.0
JUDICIARY	22.5
LEGISLATURE	0.0
LOCAL AID	270.6
OTHER INITIATIVES (SALE OF ASSETS, ETC.)	337.0
TOTAL	$1,840.1

WELD-CELLUCCI EMERGENCY PLAN FOR FISCAL RECOVERY
FEBRUARY, 1991 - JUNE, 1992

FISCAL YEAR 1991 SOLUTION
for $850 Deficit
(in millions)

PROGRAM AREA	SAVINGS/CUTS/REVENUES
ADMINISTRATION & FINANCE	7.0
BOARD OF LIBRARY COMMISSIONERS	0.0
CAMPAIGN FINANCE	0.0
COMMUNITIES & DEVELOPMENT	5.2
CONSUMER AFFAIRS	1.0
ECONOMIC AFFAIRS	0.5
EDUCATION	0.8
ELDER AFFAIRS	5.5
ENVIRONMENTAL AFFAIRS	14.3
ETHICS COMMISSION	0.0
GOVERNOR/LT. GOVERNOR	0.1
GOVERNOR'S COUNCIL	0.0
HEALTH & HUMAN SERVICES	214.0
HIGHER EDUCATION	6.6
INSPECTOR GENERAL	0.0
LABOR	0.2
PUBLIC SAFETY	8.5
TRANSPORTATION	54.0
ATTORNEY GENERAL	0.3

FISCAL YEAR 1991
WELD/CELLUCCI EMERGENCY PLAN FOR FISCAL RECOVERY
(CONTINUED)

PROGRAM AREA	SAVINGS/CUTS/REVENUES
SECRETARY OF COMMONWEALTH	0.0
STATE AUDITOR	0.0
TREASURER	1.0
DISTRICT ATTORNEYS	0.0
JUDICIARY	5.0
SELL CERTAIN STATE LAND & WATER RIGHTS	140.0
INCREASE MBTA FARES	5.0
CASUAL VEHICLE TAX ENFORCEMENT	1.7
STATE EMPLOYEE PARKING FEES	0.4
10-DAY STATE WORKER FURLOUGH	90.0
PENSION ADMINISTRATION COST REDUCTION	4.0
ASSESS AUTH. FOR UNFUNDED PENSION LIABILITY	7.0
LIHEAP SURPLUS	3.0
REFINANCE LONG-TERM DEBT	30.0
SELL SURPLUS STATE ASSETS (5-YR PLAN)	90.0
ELIMINATE RETIREMENT LAW COMMISSSION	0.2
TURNPIKE PAYS FOR SNOW/ICE REMOVAL	23.0
INCREASE VETERAN'S BENEFITS (GULF WAR BONUS)	(1.7)
ISSUE NOTE/BOND TO PENSION FUND	134.0
TOTAL	$850.6

ADMINISTRATION & FINANCE

1) MAXIMIZE NON-TAX REVENUE

2) $5 PER DAY PARKING FEE FOR STATE EMPLOYEES PARKING IN BOSTON

3) REPEAL "ANTI-ROLLBACK" LEGISLATION

4) INTERIM INCREASE IN STATE EMPLOYEE ENROLLEE COST SHARE OF HEALTH INSURANCE

5) RESTRUCTURE HEALTH BENEFITS TO CAFETERIA PLAN

6) TEN DAY UNPAID FURLOUGH FOR STATE EMPLOYEES

7) SHIFT TO BI-WEEKLY PAYROLL

8) INITIATE PRIVATE RISK AND CASE MANAGEMENT PROGRAM IN WORKERS COMPENSATION SYSTEM

9) 15% REDUCTION IN LEASE SPACE FOR STATE AGENCIES

10) CONSOLIDATE TELECOMMUNICATIONS NETWORKS

11) AUCTION 1,000 STATE VEHICLES

12) TRANSFER CHILD SUPPORT ORDERS TO DOR

13) CHILD SUPPORT WAGE WITHHOLDINGS

COMMUNITIES & DEVELOPMENT

1) CREATE ENTERPRISE ZONES

2) CAPTURE LIHEAP SURPLUS

3) LEVERAGE STATE FUNDS WITH FEDERAL MATCHING GRANTS FOR HOUSING

4) REDUCE ADMINISTRATIVE COSTS IN RENTAL ASSISTANCE PROGRAM

5) REDUCE SUBSIDY FOR LOCAL HOUSING AUTHORITIES

6) SUSPEND INCREASE IN SUBSIDIZED PUBLIC HOUSING

7) INCREASE TENANT CONTRIBUTION TO RENT SUBSIDY FROM 25% TO 30%

8) REFORM HOUSING AUTHORITY WAGE STRUCTURE

9) CONSOLIDATE EOCD'S DIVISION OF MUNICIPAL DEVELOPMENT WITH OTHER DIVISIONS

ECONOMIC AFFAIRS

1) **FUND TOURISM THROUGH ASSESSMENT ON MASSPORT**

2) **SUSPEND FUNDS FOR CENTERS OF EXCELLENCE**

3) **ACCELERATE PRIVATIZATION OF MASS TECH PARK CORPORATION**

EDUCATION

1) ESTABLISH EDUCATION SECRETARIAT, ABOLISH BOARDS OF EDUCATIONS, REGENTS

2) REFORM OF SPECIAL EDUCATION

4) CLOSE REGIONAL D.O.E. CENTERS

5) ELIMINATE STATE SUBSIDY FOR TUFTS VETERINARY SCHOOL

6) ELIMINATE GRADUATE GRANT PROGRAM

7) ELIMINATE COLLEGE TUITION BENEFITS FOR STATE EMPLOYEES

8) SUSPEND STATEWIDE STUDENT TESTING

9) REDUCE SPENDING FOR DOE ADMINISTRATION BY 10%

10) SUSPEND TEACHER DEVELOPMENT PROGRAMS

11) ELIMINATE DUPLICATIVE LITERACY PROGRAM

12) SUSPEND EDUCATIONAL TECHNOLOGY GRANTS

13) REDUCE STAFF IN BUREAU OF INSTITUTIONAL SCHOOLS

14) ESTABLISH PILOT "CHOICE/VOUCHER" PROGRAM FOR SCHOOLS

15) CONVERT SCHOLARSHIPS TO REVOLVING LOANS

ENVIRONMENTAL AFFAIRS

1) STREAMLINE PERMITTING & COMPLIANCE

2) STREAMLINE WASTE SITE CLEAN-UP PROGRAM

3) CONSOLIDATE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT AND METROPOLITAN DISTRICT COMMISSION

4) PRIVATIZE ICE SKATING RINKS

5) CREATE COMMONWEALTH ZOOLOGICAL CORPORATION

6) ELIMINATE FUNDS FOR AGRICULTURAL FAIRS DIVISION

HEALTH & HUMAN SERVICES

1) TIGHTEN PROCEDURES FOR ELIGIBILITY DETERMINATION

2) REPRICE MEDICARE COVERED SERVICES

3) SYSTEM-WIDE MANAGED CARE & SELECTIVE CONTRACTING

4) DEVELOP HOSPICE CARE FOR AIDS PATIENTS

5) TIGHTEN ADMISSION TO NURSING HOMES & DEVELOP COMMUNITY CARE

6) REDUCE PERSONAL NEEDS ALLOWANCE TO NATIONAL STANDARDS

7) REQUIRE CLIENT CO-PAYMENTS

8) REVIEW OPTIONAL BENEFITS

9) DISCOURAGE USE OF HOSPITALS FOR NON-EMERGENCY CARE

10) REPEAL UNIVERSAL HEALTH/CARE EMPLOYER

11) ELIMINATE STATE LIABILITY FOR UNCOMPENSATED CARE POOL

12) CONSOLIDATE PUBLIC HEALTH HOSPITALS

13) CONSOLIDATE DMH HOSPITAL SYSTEM

14) PRIVATIZATION OF COMMUNITY MENTAL HEALTH CENTERS

15) IMPLEMENT A UNIVERSAL SLIDING FEE SCALE FOR EOHHS

16) LIMIT EMERGENCY GENERAL RELIEF ASSISTANCE TO 1 MONTH

17) PREPARE COST/BENEFIT ANALYSIS OF WORKFARE

18) ELIMINATE GENERAL RELIEF FOR HIGH SCHOOL STUDENTS

19) ELIMINATE GENERAL RELIEF CLOTHING ALLOWANCE

20) ADJUST PERSONAL NEEDS ALLOWANCE TO NATIONAL STANDARD

21) INCREASE TEEN PREGNANCY PREVENTION CONTRACTS BY 20%

22) INCREASE AIDS ASSISTANCE 15%

23) INCREASE FAMILY HEALTH SERVICES 15%

24) INCREASE W.I.C. FUNDING 20%

25) TRANSFER 600 STATE SCHOOL RESIDENTS TO COMMUNITY-BASED CENTERS

26) REDUCE GENERAL RELIEF EMERGENCY ASSISTANCE TO ONE MONTH

27) REQUIRE SLIDING FEE FOR MR RESIDENTIAL SERVICES

28) FEDERAL REIMBURSEMENT FOR DSS SHELTERS

29) INCREASE C.766 COST SHARING FOR DSS GROUP CARE

30) RAISE LICENSING FEES

31) TRANSFER FUNCTIONS OF OFC TO EOHS; ELIMINATE STATE FUNDING

32) ELIMINATE GENERAL RELIEF EMPLOYMENT & TRAINING PROGRAM

33) ESTABLISH NEW GENERAL RELIEF ELIGIBILITY CRITERIA

34) MAXIMIZE FEDERAL AID AND ATTENDANCE BENEFITS FOR VETERANS

LABOR AND INDUSTRIES

1) REQUIRE INDUSTRIAL ACCIDENT BOARD TO PRE-DESIGNATE DOCTORS.

2) AUTHORIZE LICENSING BOARDS TO IMPOSE CIVIL SANCTIONS.

3) ELIMINATE EMPLOYEE COMPANY OWNERSHIP PROGRAM.

PUBLIC SAFETY

1) CONSOLIDATE BUILDING INSPECTION FUNCTIONS.

2) ACCELERATE POLICE CONSOLIDATION.

3) USE CLERK EXAMINERS FOR WRITTEN EXAMINATIONS AT REGISTRY.

4) CONSOLIDATE REGISTRY OFFICES

5) STOP USE OF STATE POLICE ON DPW SITES.

TRANSPORTATION

1) EMPOWER MBTA TO ACT AS ELECTRIC UTILITY TO REDUCE POWER COSTS

2) LIMIT MBTA TORT LIABILITY TO $100,000

3) ALLOW ADVERTISING ON EXTERIOR OF ALL MBTA VEHICLES

4) ALLOW MBTA TO ENTER "CROSS-BORDER" LEASES

5) INCREASE MBTA FARES (EXCEPT FOR ELDERLY AND HANDICAPPED)

6) DISCOUNTS FOR BULK PURCHASES OF MBTA TOKENS

7) REPEAL BINDING ARBITRATION FOR ALL MBTA UNIONS

8) REQUIRE MBTA RETIREES TO CONTRIBUTE TO HEALTH INSURANCE.

10) CAP RATE OF GROWTH OF FUTURE STATE CONTRIBUTION TO MBTA.

11) LIMIT MBTA CAPITAL SPENDING.

12) ASSESS TURNPIKE AUTHORITY FOR COST OF SNOW/ICE REMOVAL.

CITIES AND TOWNS

1) INCLUDE NEW GROWTH IN LEVY LIMIT

2) REDUCE REVENUE SHARING TO CITIES & TOWNS

3) REDUCE REVENUE SHARING TO REGIONAL SCHOOLS

4) REMOVE STATUTORY IMPEDIMENTS TO LOCAL COLLABORATIVE

5) ADJUST LOCAL EMPLOYEE CONTRIBUTION TO HEALTH INSURANCE COSTS

6) REPEAL CANCER PRESUMPTION LAW

7) MODIFY PREVAILING WAGE LAW FOR CONTRACTS UNDER $250,000

8) CONFORM CHAPTER 766 TO FEDERAL STANDARDS

9) EARMARK ADDITIONAL LOTTERY REVENUE FOR LOCAL AID

OTHER

1) ASSESS MUNICIPALITIES FOR 10% OF TEACHERS' PENSIONS.

2) ELIMINATE GRANTS TO LOCAL PENSION SYSTEMS

3) STATE AND TEACHERS' RETIREMENT BOARD CONSOLIDATION.

4) PRIVATIZE PENSION ADMINISTRATION & FUND FROM PENSION RESERVE.

5) ELIMINATE RETIREMENT LAW COMMISSION.

6) ASSESS AUTHORITIES FOR UNFUNDED PENSION COSTS.

7) REDUCE MASSACHUSETTS CULTURAL COUNCIL SPENDING.

Proposed Reorganizations

The Board of Education and the Regents will be abolished and an Education Secretariat will be created to advance state educational reform from kindergarten through college-level.

Abolish the MDC and merge parks and recreational functions into the Division of Environmental Management; MDC road functions will merge into the Department of Public Works; MDC police functions will merge into the Department of Public Safety.

Accelerate the merger of the Capitol, MDC, Registry and State Police forces into one unified State Police organization.

The Department of Corrections and the Parole Board will move from the Executive Office of Health and Human Services to the Department of Public Safety.

The Division of Banks will move to the Executive Office of Economic Affairs; Division of Insurance will stay with Office of Consumer Affairs.

Consolidate the functions of the Office of Campaign and Political Finance with the State Ethics Commission.

Abolish the Public Works Commission and vest authority in one DPW commissioner.

The Department of Personnel Administration, the Office of Employee Relations, the State Office of Affirmative Action, the Group Insurance Commission and the workers compensation functions of Public Employee Retirement Administration will be consolidated into the Department of Employment Administration.

9. The Massachusetts Commission Against Discrimination will be moved from Administration & Finance to the Executive Office of Consumer Affairs.

10. The Division of Energy Resources will be moved from the Executive Office of Consumer Affairs to the Executive Office of Economic Affairs.

11. The Energy Facilities Siting Council will be reorganized and moved into the Department of Public Utilities, where its decision-making functions will be the responsibility of the Commissioners of the DPU.

12. The Executive Office of Human Services will be re-named the Executive Office of Health and Human Services.

13. The Executive Office of Consumer Affairs and Business Regulation will be re-named the Executive Office of Consumer Affairs.

14. The Office for Children will be moved directly into the Executive Office of Health and Human Services.

15. The Agricultural Development Division will be eliminated. However, the $325,000 Women, Infants and Children (WIC) coupon program will be transferred to the Department of Public Health.

16. The Retirement Law Commission will be eliminated.

17. Eliminate all "legislative liaison" positions within the secretariat and move all necessary functions into legal counsel offices.

18. Eliminate duplicative agency fiscal audit functions and transfer necessary audit functions to State Auditor.

Administration and Finance

Estimated Savings

FY 91	$7,000,000
FY 92	$132,300,000

Reorganization

- *The Department of Personnel Administration, the Office of Employee Relations, the State Office of Affirmative Action, the Group Insurance Commision, and the workers compensation function of the Public Employee Retirement Administration will be consolidated into one new Department of Employee Administration.*

- *The Massachusetts Commission Against Discrimination will be moved from the Executive Office of Administration and Finance to the Executive Office of Consumer Affairs.*

FY 1991 Secretariat: Administration & Finance

SAVINGS TARGET

The Secretariat of Administration & Finance has agreed to a savings target of $ 7,000,000. Actions will include:

- *Freezing spending across departments at current rates....$5 million*
- *Increase child support collections to offset AFDC spending ...$2 million*

FY 1992 Secretariat: Administration & Finance

MAXIMIZE NON-TAX REVENUE

Efforts are underway to maximize non-tax revenue collections primarily through enhanced federal reimbursement claims for human services case management services and other cost allocation work. At present, state agencies do not share in the increased revenues being brought in through these efforts. Proposal is to encourage agencies to undertake additional projects by sharing new revenues on a 50/50 basis. Experience to date suggests that an additional $20M per year (gross) might be collected yielding $10M in budget savings in FY92 and $20M in FY93.These are proposals not included elsewhere.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $10,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

TIGHTEN CASUAL VEHICLE SALES TAX

Use a floor of 100% of book value when calculating sales tax on a used car. By eliminating losses incurred when purchasers benefit from substantially discounted arrangement, receipts could increase by as much as $6.8 million.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,800,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

PARKING FEE FOR STATE EMPLOYEES

This proposal calls for state employees to pay $5 per day to park in state-owned parking facilities located in Boston. In addition, the Commonwealth would provide parking to the public for a fee at nights and on weekends. The value of the proposal if state employees, legislators and judges pay, is $1,600,000, but at this time it is impossible to give a definitive revenue assumption for parking rentals to the public in off-hours. From this revenue approximately $100,000 in costs for salaries and expenses can be expected for attendants, tickets and other recurring expenses.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

REPEAL "ANTI-ROLLBACK" LEGISLATION

At minimum, any changes to state employee health benefits will require repeal of "anti-rollback" legislation passed in 1988, which prohibits any benefit reductions or increases in employee out-of-pocket limits.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

INTERIM INCREASE IN ENROLLEE COST SHARE

Increasing the employee share of premium to 25% would save about $66 million and would bring Massachusetts closer to private sector standards.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $66,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

RESTRUCTURE HEALTH BENEFITS TO CAFETERIA PLAN

Moving toward a cafeteria plan or a single risk pool managed care model will take 18-24 months for economic analysis, benefit redesign, solicitation of providers and contract award. Determining the exact program design that most cost-effectively serves the needs of our population will require additional research.

Much of the current cost differential between the indemnity plan and HMOs is a result of adverse selection (HMOs attract younger, healthier enrollees), rather than managed care savings. A restructured health plan will achieve savings through cost shifting, direction of volume to low cost providers, changes to mandated benefits, and provider rate negotiations.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

REQUIRE MEDICARE FOR ELIGIBLE RETIREES

Currently all retirees are eligible for full health benefits coverage. This proposal would require Medicare participation for approximately 4,000 retirees who currently do not select this coverage.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $10,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

LINK RETIREE HEALTH BENEFITS TO LENGTH OF SERVICE

This proposal would link benefit levels to length of service.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $7,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

SHIFT TO BI-WEEKLY PAYROLL

Payroll cycle change in existing systems needs further study. Decisions on payroll processing should be made in context of comprehensive analysis for replacement of existing systems with new compensation management system.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

INITIATE PRIVATE RISK AND CASE MANAGEMENT PROGRAM IN WORKERS COMPENSATION SYSTEM

This proposal calls for the implementation of private risk management and case management firms to control escalating state employee worker compensation job-related injuries. The Commonwealth, through the Public Employee Retirement Administration (PERA) has already initiated this program on an in-house basis and additional funding was provided in the Fiscal 1991 budget. Additional savings opportunities may exist through the use of a private contractor.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

INDEX FEES: ALLOCATE AUTHORITY TO A&F

Over 600 individual fees for services, licenses, permits and other public functions were comprehensively revised in August 1989. This proposal calls for adjusting all such fees by approximately 15 per cent for intervening inflation (from 8/89 to mid year FY92). The preponderance of fee income is earmarked for restricted funds. For example, all Registry fees (approx. $300M) are paid to the Highway Fund. The FY92 savings estimate represents increased revenue to the General Fund only.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $7,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

15% REDUCTION IN LEASE SPACE

Substantial operational dollars can be saved through the reduction and reassessment by DCPO of office needs for state agencies. This reassessment should incorporate all consolidation and planned closings of agencies and Departments. Savings assume 15% reduction is achievable across state government, beginning 7/1/91.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $10,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

CONSOLIDATE TELECOMMUNICATIONS NETWORKS

The state has over a dozen separate communications networks. The proposal calls for their consolidation into one uniform network with resulting savings both monetarily and administratively with networks using the same generic equipment.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

AUCTION 1,000 STATE VEHICLES

This proposal calls for the sale at auction of one thousand of the State's fleet which totals approximately 2,900. An estimate of $500 to $750 per vehicle is the basis for savings.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

CHILD SUPPORT WAGE WITHHOLDINGS

Currently, DOR/CSE collects on approximately 60% of all AFDC child support orders established, of which 83% of all collections is through Wage Assignment. Maximum increase in gross AFDC collections (based on current AFDC caseload) is $60 million, of which $30 million represents the Federal Share of collections. Proposal is based on improved computer matching between DOR tax and child support collection files.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $10,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Administration & Finance

TRANSFER CHILD SUPPORT ORDERS TO DOR

This proposal entails transferring the responsibility for establishing child support orders from the courts to DOR. Other states have benefited from an administrative rather than judicial process. Will require increases in DOR staff. Amount of additional child support collections (which offset AFDC costs) are difficult to ascertain in current economic climate.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0

Board of Library Commissioners

Estimated Savings

FY 91	$0
FY 92	$1,800,000

FY 1992 Secretariat: Board of Library Commissioners

ESTABLISH USER ASSESSMENT IN REGIONAL LIBRARIES

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,619,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Board of Library Commissioners

ELIMINATE TELECOMMUNICATIONS FOR LIBRARIES

Funds telecommunications links between libraries.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $180,000 **STAFFING REDUCTION:** 0

Ethics/Campaign Finance

Estimated Savings

FY 91	$0
FY 92	$200,000

Reorganization

- *Consolidate the Office of Campaign & Political Finance with the State Ethics Commission.*

FY 1992 Secretariat: Ethics Commission

CONSOLIDATE ETHICS & OCPF

The Ethics Commission and Office of Campaign and Political Finance would be consolidated - agencies employ persons with similar skills. Savings would result from pooling resources - personnel, office space, equipment, and administrative costs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $225,000 **STAFFING REDUCTION:** 5

Communities and Development

Estimated Savings

FY 91	$5,200,000
FY 92	$17,600,000

FY 1991 Secretariat: Communities & Development

SAVINGS TARGET

The Secretariat of Communities & Development has agreed to a savings target of ***$5,200,000.*** *Actions will include:*

- *Reduce subsidy to profitable local agencies...$3.2 million*
- *Revert Supportive Services account...$400 thousand*
- *Implement revenue initiatives.....$1.6 million*

FY 1992 Secretariat: Communities & Development

LEVERAGE STATE FUNDS WITH FEDERAL MATCHING GRANTS FOR HOUSING

The newly enacted National Affordable Housing Act provides an opportunity to replace a portion of state funds for interest subsidies and rental housing production with federal monies. However, these are capital funds and would not save money in the operating budget.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Communities & Development

SUSPEND HOME OWNERSHIP PROGRAM

Low cost mortgage financing will no longer be available through the Home Ownership Program which subsidizes middle-income housing. A portion of the HOP program could continue if costs were absorbed by the MHFA.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,429,000 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Communities & Development

FREEZE TURNOVER IN RENTAL ASSISTANCE

Turnover has been frozen during FY91 reducing the total number of 707 rental assistance certificates from 12,350 to 10,358. Not issuing all rental assistance certificates that become available during FY92 will save $3.1M in FY92 and an additional $2.6M in FY93.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $3,145,000 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Communities & Development

REDUCE ADMINISTRATIVE COSTS IN RENTAL ASSISTANCE PROGRAM

EOCD currently pays an administration fee to Local Housing Authorities along with rental assistance. In FY91, these fees were reduced by 11% to $40 per certificate; an additional 10% reduction to $36 per certificate would save $410,208 in FY92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $410,000 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Communities & Development

REDUCE SUBSIDY FOR LOCAL HOUSING AUTHORITIES

We are currently funding 100% of the operating deficit at Local Housing Authorities. We could achieve savings by not fully funding this deficit, a 10% reduction in state subsidy would save almost $3 million in FY92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,946,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Communities & Development

ELIMINATE MAINTENANCE RESERVE FOR NEW UNITS

This would eliminate the state's contribution to operating maintenance reserves for new public housing units subsidized by the Local Housing Authority.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $342,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Communities & Development

SUSPEND INCREASE IN SUBSIDIZED PUBLIC HOUSING

EOCD currently subsidizes the operation and maintenance of public housing. As new units are built on the capital side, EOCD pays to subsidize them in the operating budget. In order to control or eliminate the increases in subsidizing public housing, EOCD would have to stop spending state capital money for new production. Would not affect FY92 or FY93.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Communities & Development

INCREASE TENANT CONTRIBUTION FROM 25% TO 30%

Would increase the amount of rent paid by tenants receiving state rental assistance from 25% to 30% of income. Contribution would match the federal level.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Communities & Development

REFORM HOUSING AUTHORITY WAGE STRUCTURE

Eliminating statutorily mandated wage increases for administrative workers at Local Housing Authorities would save $300,000 in FY92. The proposed change will not affect statutorily mandated wage increases for workers involved in the development and production of housing.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $300,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Communities & Development

CREATE ENTERPRISE ZONES

Create enterprise zones that would encourage economic growth through tax incentives to businesses which locate or expand in depressed areas. Eventually this economic growth would generate greater tax dollars for the Commonwealth.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 STAFFING REDUCTION: 0

FY 1992 Secretariat: Communities & Development

CONSOLIDATE EOCD'S DIVISION OF MUNICIPAL DEVELOPMENT WITH OTHER DIVISIONS

Would eliminate state assistance program for management, planning and zoning in localities. Would move responsibility for administering federal programs to the Division of Neighborhoods and Economic Opportunity.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $624,000 STAFFING REDUCTION: 14

FY 1992 Secretariat: Communities & Development

ELIMINATE COMMUNITY ECONOMIC ENTERPRISE DEVELOPMENT PROGRAM

Would eliminate state administrative subsidies for Community Development Corporations.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $753,000 STAFFING REDUCTION: 4

FY 1992 Secretariat: Communities & Development

ELIMINATE HOUSING SERVICES PROGRAM

Would eliminate grants to non-profits for activities such as tenant/landlord mediation and education.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $565,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Communities & Development

SUSPEND FUNDING FOR INDIAN AFFAIRS

Reduction of 1 staff.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $48,000 **STAFFING REDUCTION:** 1

Consumer Affairs

Estimated Savings

FY 91	$1,000,000
FY 92	$300,000

Reorganization

- *The Executive Office of Consumer Affairs and Business Regulations will be renamed the Executive Office of Consumer Affairs.*
- *The Massachusetts Commission Against Discrimination will be moved from the Executive Office of Administration and Finance to the Executive Office of Consumer Affairs.*
- *The Department of Banking and Insurance, currently within the Executive Office of Consumer Affairs will be abolished. The Division of Insurance will remain within the Executive Office of Consumer Affairs. The Division of Banking will be moved to the Executive Office of Economic Affairs.*
- *The Division of Energy Resources currently located in the Executive Office of Consumer Affairs, will be moved into the Executive Office of Economic Affairs.*
- *The Energy Facilties Siting Council will be reorganized and moved into the Department of Public Utilities, where its decision-making functions will be the responsibility of the Commissioner of the DPU.*

FY 1991 Secretariat: Consumer Affairs

SAVINGS TARGET

The Secretariat of Consumer Affairs has agreed to a spending reduction target of ***$1,000,000.*** *Actions will include:*

- *Consolidation of financial management & positions across departments...$900 thousand*
- *Eliminate administration of Lemon Law program..$100 thousand*

FY 1992 Secretariat: Consumer Affairs

AUTHORIZE LICENSING BOARDS/CIVIL SANCTIONS

Proposal would authorize the 30 Boards of Registration to levy fines in lieu of other disciplinary actions, particularly license revocations.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $60,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Consumer Affairs

ELIMINATE ADMINISTRATION OF LEMON LAW MEDIATION PROGRAM

Purchases of defective cars would still have recourse through civil courts.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $264,000 **STAFFING REDUCTION:** 4

Economic Affairs

Estimated Savings

FY 91	$500,000
FY 92	$8,200,000

Reorganization

- *The Division of Energy Resources currently located in the Executive Office of Consumer Affairs, will be moved into the Executive Office of Economic Affairs.*

- *The Department of Banking and Insurance, currently within the Executive Office of Consumer Affairs will be abolished. The Division of Insurance will remain within the Executive Office of Consumer Affairs. The Division of Banking will be moved to the Executive Office of Economic Affairs.*

FY 1991 Secretariat: Economic Affairs

SAVINGS TARGET

*The Secretariat of Economic Affairs has agreed to a savings target of **$500,000**. Actions will include:*

- *Reduced spending for Small Business Centers & Centers of Excellence...$300 thousand*
- *Accelerate privatization timetable for Mass Technical Park...$200 thousand*

FY 1992 Secretariat: Economic Affairs

FUND TOURISM THROUGH ASSESSMENT ON MASSPORT

This proposal would assess Massport as the direct beneficiary of promotion of tourism.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,200,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Economic Affairs

STREAMLINE COSTS FOR CENTERS OF EXCELLENCE

Over the last 2 years, centers' program has replaced state with federal funding. State could cease funding this program and allow federal and private sectors to fund entire program.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $676,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Economic Affairs

REVISE COSTS FOR MASS TECH PARK CORPORATION

MTPC is capable of generating revenue by charging for its chip fabrication services. Any shortfall would have to be covered through federal or private (business or university) funding. Could also sell chip fabrication facility to private sector.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,330,000 **STAFFING REDUCTION:**

Education

Estimated Savings

FY 91	$7,600,000
FY 92	$108,900,000

Reorganization

- *Reform the administration of public education and create a Secretariat of Education within the cabinet*

FY 1991 Secretariat: Education

SAVINGS TARGET

*Savings targets in education total **$800,000.** Actions will include:*

- *Close regional centers...$600 thousand*
- *Lay off 26 Bureau of Institutional School staff...$200 thousand*

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION:**

FY 1991 Secretariat: Higher Education

SAVINGS TARGET

*Savings targets in the Higher Education system total **$6,600,000.** Actions will include:*

- *Freeze spending at current rates...$5 million*
- *Reduce Board of Regents staffing...$300 thousand*
- *Eliminate County Cooperative Extension Program, with 4-H exception...$500 thousand*
- *Eliminate McNair Program...$800 thousand*

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

CREATE SCHOOL BUILDING ASSISTANCE CORPORATION

This proposal would take the School Assistance Building Program off the operating budget and will facilitate controlled growth.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

CLOSE REGIONAL D.O.E. CENTERS

Two of the four regional education centers closed in FY91.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,258,000 **STAFFING REDUCTION:** 66

FY 1992 Secretariat: Education

ELIMINATE STATE SUBSIDY FOR TUFTS VETERINARY SCHOOL

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $3,981,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE COUNTY COOPERATIVE EXTENSION

When first created, the County Cooperative Program had as its focus the promotion of the Commonwealth's agricultural sector. Today, the program operates 4H programs for youth, home economic programs to improve family life. Until the early 1980s, the County Cooperative Program was financed solely by the counties; however, throughout the early 1980s, the state assumed the costs of the program in 11 of the 14 counties. Functions in the areas of health promotion and community health programs are also performed by other state and local agencies as well as by non-profit groups. The 4-H program will be transferred to another entity.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,379,000 **STAFFING REDUCTION:** 54

FY 1992 Secretariat: Education

ELIMINATE McNAIR PROGRAM

The McNair Program supports three outreach programs: the College Success Program, the Massachusetts Educational Outreach Program (MEOP), and the Disadvantaged Student Program (DSP).

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $3,951,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE COLLABORATIVE ENGINEERING PROGRAM

The Collaborative Engineering Program pays the costs of tuition for students at the University of Massachusetts at Boston to attend private area universities to pursue engineering studies (U-Mass Boston does not have an engineering program). The Commonwealth already operates a full scale engineering program at U-Lowell.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $79,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE FUNDING FOR NECCUM

NECCUM is a consortium of private and public colleges in northeastern Mass. There are no subsidies to other consortia.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $84,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ESTABLISH EDUCATION SECRETARIAT; ABOLISH BOARD OF EDUCATION & REGENTS

The plan for educational reform includes: merging/closing state colleges, raising tuition, reducing central administrative staffing, changing scholarship program into low-cost loan program, and other measures listed separately.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $74,799,000 **STAFFING REDUCTION:** 1,000

FY 1992 Secretariat: Education

ELIMINATE SENATORIAL HONOR SCHOLARSHIP

Part of overall Education Reform

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $400,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE GRADUATE GRANT PROGRAM

Part of overall Education Reform

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $2,900,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE COLLEGE TUITION BENEFITS FOR STATE EMPLOYEES

Requires collective bargaining agreement.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,500,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

LIMIT STATE AID TO STUDENTS AT MASSACHUSETTS SCHOOLS

Part of overall Education Reform

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $4,000,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

REQUIRE LOCAL COMMUNITIES TO PAY COSTS OF STATE WARDS

The state pays cities, towns, and regional school districts for the education of children in the state's custody who are from another school district.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,720,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

REDUCE ESSENTIAL SKILLS PROGRAM BY 10%

Funds programs to prevent students from dropping out of school. Essential Skills has been cut by 79% since FY88. Drop-out prevention programs should be reevaluate .

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $219,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

SUSPEND HEALTH EDUCATION GRANT

Grants given to school districts that can demonstrate need in the area of health and education.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $112,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

SUSPEND STATEWIDE STUDENT TESTING

Funds statewide assessment of students in the Commonwealth. Testing will be suspended only in FY 92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,106,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

REDUCE SPENDING FOR DOE ADMINISTRATION BY 10%

Funds central office staff and administration of DOE.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $837,000 **STAFFING REDUCTION:** 20

FY 1992 Secretariat: Education

SUSPEND TEACHER DEVELOPMENT PROGRAMS

The Carnegie Schools and Inservice Institute Grant Programs provide for teacher training. Suspension of funding for FY 92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $663,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE SCHOOL-TO-WORK PROGRAM

Provides grants to urban school districts for job-related services for high risk high school students. Program should be re-evaluated.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $864,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

SUSPEND LUCRETIA CROCKER PROGRAM

Provides grants so that exemplary educational programs can be copied in other schools.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $471,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

ELIMINATE DUPLICATIVE LITERACY PROGRAM

Provides funding to run a literacy program using volunteers.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $374,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

REDUCE ADULT BASIC SKILLS PROGRAM BY 10%

Funds programs for illiterate, marginally literate, and English- as-a-second-language adults.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $381,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

SUSPEND EDUCATIONAL TECHNOLOGY GRANTS

Funds ten model computer and media-based educational technology training programs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $35,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Education

REDUCE STAFF IN BUREAU OF INSTITUTIONAL SCHOOLS

Funds educational programs for students in institutional settings and correctional facilities. Reduction assumes 25 layoffs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $793,000 **STAFFING REDUCTION:** 25

FY 1992 Secretariat: Education

ESTABLISH PILOT "CHOICE/VOUCHER" PROGRAM FOR SCHOOLS

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION:**

Elder Affairs

Estimated Savings

, FY 91	$5,500,000
FY 92	$2,000,000

FY 1991 Secretariat: Elder Affairs

SAVINGS TARGET

The Secretariat of Elder Affairs has agreed to a savings target of $5,500,000. Actions will include:

- *Freeze spending at current rates in several accounts...$ 1 million*
- *Reduce Home Care Corporations contracts by 5%...$1 million*
- *Reduce case management services to achieve more efficient ratio...$3 million*
- *Enroll additional clients in Medicaid program...$500k*

FY 1992 Secretariat: Elder Affairs

CONSOLIDATE HOME CARE CORPORATION OFFICES

Currently there are five home care corporations in the Boston area, three in the North Shore and two in Western Massachusetts. By consolidating the offices in each area into a single office, savings could be achieved in administrative expenses.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,000,000 **STAFFING REDUCTION:** 0

Environmental Affairs

Estimated Savings

, FY 91	$14,300,000
FY 92	$700,000

Reorganization

- *Abolish the Metropolitan District Commission, moving its parks, zoos and rinks into the Division of Environmental Management and its roads into the Department of Public Works*

- *The Agricultural Development Division will be eliminated. However, the $325,000 WIC coupon program will be transferred to the Department of Public Health.*

FY 1991 Secretariat: Environmental Affairs

SAVINGS TARGET

The Secretariat of Environmental Affairs has agreed to a savings target of $14,300,000. Actions will include:

- *Freeze spending at current rates across departments...$2.3 million*
- *Pursue collection of receivables from hazardous waste cleanups...$12 million*

FY 1992 Secretariat: Environmental Affairs

STREAMLINE PERMITTING & COMPLIANCE

Reduce unnecessary regulatory burdens by eliminating duplicative reviews. Improve the education of inspectors and institute uniform procedures, leading to improved efficiency. DEP is currently implementing this proposal in conjunction with the business and environmental community.

No savings are claimed at this time, however, improved efficiency will enable department to make best use of limited resources.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:**

FY 1992 Secretariat: Environmental Affairs

STREAMLINE WASTE SITE CLEAN-UP PROGRAM

Establish a clear set of standards, and then privatize the job of waste site clean-up by allowing responsible parties to hire licensed consultants to supervise clean-ups. DEP would supervise only the most serious cases, relying on random audits to ensure compliance. This reform is in progress, but needs further work. Legislation currently being drafted.

No savings are claimed at this time, however, improved efficiency will enable department to make best use of limited resources.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:**

FY 1992 Secretariat: Environmental Affairs

CONSOLIDATE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT AND METROPOLITAN DISTRICT COMMISSION

Consolidate the Department of Environmental Management and some MDC functions into one agency.

This proposal is presented to achieve administrative savings rather than programmatic savings. Some functions would be transferred to other departments. For example: DEM – Transfer the waterways program to DEP to further centralize the permitting process. MDC -- Transfer the construction and streetlighting accounts to EOTC. Administrative savings would be achieved by requiring "receiver" agencies to absorb administrative oversight of transfers and by funding the "new" agency's administration at 2% of the total programmatic budget, consistent with historic rates.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION: 25**

FY 1992 Secretariat: Environmental Affairs

PRIVATIZE ICE SKATING RINKS

An assessment will be made as to the value and practicality of privatizing both DEM and MDC skating rinks.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: STAFFING REDUCTION: 50

FY 1992 Secretariat: Environmental Affairs

TRANSFER WATERSHED DIVISION TO MWRA

MWRA already reimburses the MDC for roughly 75% of this appropriation.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $1,147,000 STAFFING REDUCTION: 142

FY 1992 Secretariat: Environmental Affairs

CREATE COMMONWEALTH ZOOLOGICAL CORPORATION

There will be no savings in the first year and little in the second year until corporate donations grow appreciably. Four to five years will be necessary before the Commonwealth will no longer be needed to supplement the corporation. Indirect costs will increase the zoo operating budget needs after privatization to pay for insurance, snow plowing, security, and other services currently provided by the MDC.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: STAFFING REDUCTION: 0

FY 1992 Secretariat: Environmental Affairs

ELIMINATE AGRICULTURAL DEVELOPMENT PROGRAM

Eliminate Agricultural Development program except for $325K WIC coupon program to be transferred to DPH

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1:

ANTICIPATED SAVINGS: $491,000 STAFFING REDUCTION: 15

FY 1992 Secretariat: Environmental Affairs

ELIMINATE FUNDS FOR AGRICULTURAL FAIRS DIVISION

This division promotes Massachusetts grown produce.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $143,000 STAFFING REDUCTION: 2

FY 1992 Secretariat: Environmental Affairs

ELIMINATE TECHNICAL ASSISTANCE IN SITING HAZARDOUS WASTE SITES

These grants assist in hazardous waste facilities siting process. State subsidy is minor.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $63,000 **STAFFING REDUCTION:**

Governor/Lt. Governor

Estimated Savings

FY 91	$100,000
FY 92	$200,000

Reorganization

- *Combine the offices and staff of the Governor and Lt. Governor*

FY 1991 Secretariat: Governor/Lt Governor

STREAMLINE OPERATIONS

Absorb $100,000 of the costs of transition activities.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: $100,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Governor/Lt Governor

STREAMLINE OPERATIONS

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: $200,000 **STAFFING REDUCTION:**

Health and Human Services

Estimated Savings

FY 91	$214,000,000
FY 92	$618,800,000

Reorganization

- *The Executive Office of Human Services will be renamed the Executive Office of Health and Human Services.*
- *The Office for Children will be streamlined and moved directly into the Secretary's office of the Executive Office of Health and Human Services.*
- *The Department of Corrections and the Parole Board will be moved from the Executive Office of Human Services to the Executive Office of Public Safety.*
- *The Agricultural Development Division will be eliminated. However, the $325k WIC coupon program will be transferred to the Department of Public Health.*

FY 1991 Secretariat: Health & Human Services

SAVINGS TARGET

The Secretariat of Health & Human Services has agreed to a savings target of ***$214,000,000.*** *Actions will include:*

- *DMH:* Implement saving targets through spending controls ...$8 m
  Institute reduction in administration...$1 m
  Reduce state FTEs in partnership clinics...$630 k

- *DMR:* Re-level 10% of clients to less costly residences...$340 k
  Initiate fee schedule for Turning 22 population...$500k
  Negotiate with Federal Court on planned savings initiatives...$10 m

- *DSS:* Implement target savings through spending controls...$3 m
  Institute case management review and enforce case closing standards...$1 m
  Reduce caseworkers and supervisors...$800 k
  Renegotiate leases...$500 thousand
  Reduce quarterly payment for group/foster care...$2.8 m
  Other...$2.4 m

- *DPH:* Implement savings targets through spending controls...$5 m
  Reduce administrative costs...$300 k
  Maximize third party revenue...$1.5 m

- *DPW:* Implement savings target through spending controls...$9 m
  Implement tighter controls over Emergency Assistance program...$2.8m
  Institute a variety of spending controls over Medicaid...$50 m
  Initiate Medicaid recovery program for long-term care costs...$40 m
  Tighten eligibility in General Relief program...$4.12 m
  Initiate fee for food stamp replacement...$200k
  Initiate fee for Medicaid replacement cards...$200k
  Initiate fee for erroneous claims processing...$2 m
  Medicaid TPL recoveries...$5 m
  Lease negotiation...$500 k

EOHHS Other: Limit phase-in health enrollees to current level...$8 m
Institute DYS (non-secure) sliding fee...$200k
Increase OFC licensing fees...$100k
Implement changes in Veterans Services administration....$300 k
Across the board cuts to all EOHS agencies not previously identified...$5.7 m
Maintain payables management program in Medicaid.....$40 m
Reduction in staff throughout agencies.....$8 m

FY 1992 Secretariat: Health & Human Services

CLAIMS MANAGEMENT & 3d PARTY REIMBURSEMENT

As the "payor of last resort" Medicaid presently has an aggressive third party liability effort. Increases are due to the MMIS upgrade.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REQUIRE MEDICARE CERTIFICATION FOR ALL NURSING HOMES

This was put into law by Ch. 653 of 1988. There is presently high industry compliance. Some additional FY92 savings are expected.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

TIGHTEN PROCEDURES FOR ELIGIBILITY DETERMINATION

Under federal law, asset transfers for 30 months prior to application are presumed to be for the purpose of sheltering assets that should have been counted for eligibility determination. Medicaid does not presently require submission of tax returns for this look-back period. Regulations requiring submission of tax returns would improve enforcement of asset eligibility standards. In addition, legislative changes requiring notification of asset transfers by deeds registries and estate lawyers would minimize illegal transfers designed to avoid Medicaid rules.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $4,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REPRICE MEDICARE COVERED SERVICES

Changing the reimbursement for Medicaid claims so that the combined Medicare and Medicaid payment does not exceed the Medicaid price will decrease Medicaid costs by $20 million annually. However, because this change is presently being implemented, only $10M in incremental FY92 savings will be available.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $10,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ADMINISTRATIVELY REVISE NURSING HOME RATES

Under current law, the Rate Setting Commission could use a stricter methodology for nursing home rates. Changes could be made in the methodology for measuring intensity of care and in reimbursement limits for homes whose costs substantially exceed industry norms (so-called cost corridors). RSC notes that these changes would result in savings and reduce additional risk associated with bias in measurement of intensity of care. Because the rate year is January to December, revisions would have to be made immediately to have full year impact in FY92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $16,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ENFORCE HOSPITAL CARE STANDARD OF NEED

Because many chronic hospital patients could be served at a less intensive level of care (nursing home or home care), Medicaid has promulgated regulations limiting Medicaid coverage for chronic hospital admissions who do not clinically require a hospital level of care.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

PATIENT-CENTERED CHRONIC HOSPITAL RATES

Present reimbursement statutes require that chronic hospitals be reimbursed for their full costs, without any of the cost containment provisions placed on other providers. The FY91 budget, however, directed RSC to develop a new rate methodology that would be based on patients' care needs. Such a system should provide the correct incentives to provide hospital level care only to those who need it. RSC must still develop this new system and appropriate measurements. Savings estimate assumes that expected changes be implemented for hospital rate year 1992, with 7 months cash savings in FY92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

SELECTIVE CONTRACTING FOR PHARMACY

Use market volume to obtain best pharmacy prices from large contractors. Require nursing homes and other facilities which serve predominantly Medicaid clients to purchase from selected vendors.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

SYSTEM-WIDE MANAGED CARE & SELECTIVE CONTRACTING

Under the managed care model, costs are contained through utilization controls, preventive care, and negotiated provider rates (selective contracting).

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $17,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

DEVELOP HOSPICE CARE FOR AIDS PATIENTS

Offer hospice care for AIDS patients who would otherwise be hospitalized. This is a constructive recommendation toward providing care in the most appropriate and cost- effective setting.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

TIGHTEN ADMISSION TO NURSING HOMES & DEVELOP COMMUNITY CARE ALTERNATIVES

Our present long term care system places clients into nursing homes who could be served by home care, adult day care, or other less expensive community alternatives. Stricter clinical criteria for nursing home entry coupled with case management for community services would reduce nursing home admissions.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $12,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCE PERSONAL NEEDS ALLOWANCE TO NATIONAL STANDARD

The FY91 state budget cut the Personal Needs Allowance by half of that possible under federal law. Ours is still one of the highest in the nation.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $3,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REQUIRE CLIENT CO-PAYMENTS

Co-payments should be thought of as one possible utilization control in a carefully designed managed care plan.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

DIFFERENTIALLY MODIFY BENEFITS & SERVICES

Medicaid can institute benefit reductions and service caps comparable to private insurance. Different packages would be developed for each client type. Benefit and service modifications will be pursued in the context of a carefully designed managed care plan for each population.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

REVIEW OPTIONAL BENEFITS

Medicaid spends over $300 million ($150 net) on optional services. Many optional services provide less expensive alternative forms of care from those mandated by the federal program. Optional services are necessary, for instance, to provide community based alternatives to nursing home care. Some permit other state agencies to receive 50% federal reimbursement for services that would otherwise be funded at full state cost. Thus, a detailed review of use, overuse, costs, and savings should be performed before cost savings are assumed from cutting these services. Thus, no value is counted here.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

DISCOURAGE USE OF HOSPITALS FOR NON-EMERGENCY CARE CARE

Welfare will develop regulations to limit non-emergency outpatient care at hospitals. Routine care is more often appropriately and cost-effectively provided by HMOs, Community Health Centers, and individual practitioners.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

PRESCRIPTION REBATES & UTILIZATION REVIEW

Welfare, pursuant to OBRA 91, will collect rebates from drug manufacturers. A retrospective drug utilization review system will also be implemented.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $9,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

PERMIT RECOVERY FROM ESTATES OF PATIENTS UNDER 65

Revise present law prohibiting recovery from estates of recipients who are under 65 years of age.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $1,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

BASE ELIGIBILITY ON NET WORTH; INCLUDES HOME AS ASSET FOR MEDICAID

Most states follow this practice. Federal law prohibits counting home if recipient intends to return or if spouse, dependent, or caretaker resides in home. However, homes represent substantial assets, and many recipients never return home from long term care settings. Counting home as asset would impel nursing home residents to use their home equity to finance their care; this would delay the time a recipient was on Medicaid and provide an additional disincentive to move from home care to nursing home care.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $15,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REPEAL UNIVERSAL HEALTH GENERAL MANDATE

Chapter 23 of 1988 mandates universal health coverage beginning 4/1/92. While most of the cost of this mandate would be borne by employers, the state cost would be about $35M in FY92 and $100M on an annual basis. Repealing the mandate would reduce the state cost of providing care to those not covered by employer mandates.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $35,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

DELAY STATE ASSUMPTION OF GENERAL RELIEF HOSPITAL COSTS

Hospital care for GR recipients is currently provided through the uncompensated care pool. Under current law, coverage will be provided by the Department of Public Welfare funded by state appropriation beginning 1/1/92 (Chap. 23 specified 1/1/91, but the FY91 budget act delayed it for one year). Delaying this change would save $36M in FY92 and $90M on an annual basis.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $36,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ELIMINATE STATE LIABILITY FOR UNCOMPENSATED CARE POOL

Chapter 23 caps the private sector contribution to the uncompensated care pool and holds the state responsible for any additional costs, subject to appropriation. The cap was set at $325 million for hospital fiscal year 1988, $319 million for FY 1989 and $312 million for 1990 and 1991.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $154,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MERGE DEPARTMENT OF MEDICAL SECURITY WITH EOHHS

DMS is responsible for implementing universal health care, including pilot programs and administration of the uncompensated care pool. Responsibility for administration of the uncompensated care pool would be transferred to EOHHS. Pilot insurance projects would be administered by EOHHS.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $330,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CONSOLIDATE PUBLIC HEALTH HOSPITALS

The DPH system of chronic care hospitals should be evaluated in the context of conversion to less costly types of care, utilization of the Federally reimbursable facilities for populations now served at 100% state cost, current underutilization and avoidance of extensive capital improvements.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $4,600,000 **STAFFING REDUCTION:** 700

FY 1992 Secretariat: Health & Human Services

CONVERT 100 DPH HOSPITAL BEDS TO S.N.F. LEVEL

This proposal aims to reduce the cost of providing institutional health care by converting some DPH chronic hospital beds to skilled nursing (S.N.F.) level care, which is reimbursed at a lower Medicaid rate. This proposal is related to the consolidation proposal above. Savings are probably not achievable in FY 92, due to the capital renovations needed.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CONSOLIDATE DMH HOSPITAL SYSTEM

The current DMH hospital system provides expensive inpatient services mostly without benefit of Federal reimbursement. Clients are better served in community-based programs and in inpatient units in community hospitals when hospitalization is necessary. Both alternatives may be reimbursable. In FY 92 , some facilities are targeted for consolidation.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,800,000 **STAFFING REDUCTION:** 900

FY 1992 Secretariat: Health & Human Services

PRIVATIZATION OF COMMUNITY MENTAL HEALTH CENTERS

This proposal will create a revenue stream by linking CMHC inpatient services to private general hospitals where appropriate. Such services do not currently qualify for Federal reimbursement. The proposal will involve facility closing, consolidation and creation of additional community capacity.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,750,000 **STAFFING REDUCTION:** 350

FY 1992 Secretariat: Health & Human Services

HAVE POS. PROVIDERS SHARE OVERHEAD

See comment under "Reduction of provider employee turnover" proposal.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

RE-EVALUATE STAFFING PATTERNS

See comment under "Reduction of provider employee turnover" proposal.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCTION OF PROVIDER EMPLOYEE TURNOVER

The above three proposals could be implemented in conjunction with a thorough reconfiguration of POS programs, including the elimination of credentialing and staffing pattern requirements now contained in licensing and other program regulations. Until such a review occurs, it is not possible to estimate savings or to translate savings to agency budgets.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

IMPLEMENT A UNIVERSAL SLIDING FEE SCALE FOR EOHHS

Implementation of a universal sliding fee scale will require the coordination of EOHHS agencies as well as DOE, Elder Affairs, EOCD, etc. Until the fee scale is designed, it is not possible to estimate its savings to the Commonwealth.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CLOSE FERGUSON WORKSHOPS

Savings presume closing of Ferguson Workshop.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $311,000 **STAFFING REDUCTION:** 12

FY 1992 Secretariat: Health & Human Services

TIGHTEN ELIGIBILITY STANDARDS FOR NON-REIMBURSEABLE AFDC RECIPIENTS

The Commonwealth provides AFDC benefits to several categories of recipients which are not federally reimbursable: Women without children in 1st and 2nd trimesters (additional funds have been targeted to high-infant mortality areas in other programs), families whose children are removed from their homes, and recipients who have suffered a loss in income (upward adjustments in benefits take two months by federal mandate).

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $6,380,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

LIMIT EMERGENCY ASSISTANCE TO 1 MONTH

This proposal would reduce Emergency Assistance payments for rent, mortgage, and fuel arrearages from the current maximum of three months to only one month.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $14,300,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

PREPARE COST/BENEFIT ANALYSIS OF WORKFARE

Both EOHHS & Welfare are required to prepare feasibility study focusing on impact, costs, & implementation of a mandatory work program. Savings are difficult to ascertain until program is designed.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ELIMINATE GENERAL RELIEF FOR HIGH SCHOOL STUDENTS

Currently, full time, self-supporting high school students who meet GR income requirements can receive GR so that they can continue attending school.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $5,412,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ESTABLISH ELIGIBILITY CRITERIA & MEDICAL REVIEW FOR GR DISABLED

Welfare will promulgate regulations further defining "disability" for GR. Currently 56% of GR caseload is eligible due to a disability. In addition, a panel would review disabilities of General Relief applicants to confirm disability and inability to work. This would create a medical review system much like that employed by the Social Security Administration.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

ELIMINATE GENERAL RELIEF CLOTHING ALLOWANCE

General relief recipients receive one-time clothing grant of $115.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $6,900,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

REDUCE GENERAL RELIEF RENT ALLOWANCE

Beginning in FY87, the Legislature approved a monthly rent allowance for GR recipients living in private, unsubsidized housing. In FY91, 66% of the caseload (approximately 24,400 individuals) will receive the $40 per month rent allowance. This would reduce the allowance to $35 in FY92.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $2,037,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

ADJUST PERSONAL NEEDS ALLOWANCE TO NATIONAL STANDARD

This proposal would reduce the PNA paid to General Relief (GR) and Supplemental Security Income (SSI) clients who are in rest homes from the current level of $60 per month to the federal minimum of $30 per month.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $1,148,000 STAFFING REDUCTION: 0

FY 1992 Secretariat: Health & Human Services

RE-ORGANIZE VETERANS ADMINISTRATION

Would reorganize to focus on benefit administration and nursing home saving projects.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $761,000 STAFFING REDUCTION: 17

FY 1992 Secretariat: Health & Human Services

CLOSE PRISON FARMS

DOC operates farm programs throughout the Commonwealth's state correctional facilities.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $973,000 **STAFFING REDUCTION:** 42

FY 1992 Secretariat: Health & Human Services

DSS: CHANGE INCIDENTAL EXPENSE PAYMENTS TO REIMBURSEMENT

This option would reintroduce the payment as reimbursement for actual expenses incurred by foster parents, group care programs and adoptive parents.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,600,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

BASE ADOPTION/GUARDIANSHIP SUBSIDIES ON NEED

DSS pays adoptive parents of special needs children and all guardians a daily subsidy. This option would change DSS policy so that it would provide subsidies only to low-income adoptive and guardian families. Savings are difficult to ascertain until sliding scale is developed.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCE FORENSIC DMH ADMINISTRATION BY 15%

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $798,000 **STAFFING REDUCTION:** 15

FY 1992 Secretariat: Health & Human Services

MAXIMIZE MEDICAID REIMBURSEMENT FOR COMMUNITY-BASED DMR PROGRAMS

In FY91 DMR filed an amendment to the Omnibus Waiver to raise the number of waiver recipients from the 1200 limit set by HCFA to 2500. DMR already bills for 2500 clients. This limit could be raised by another 1900 in FY92 to cover all the community based clients. Federal approval is required.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $17,200,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CONVERT DMR STATE-OPERATED COMMUNITY RESIDENCES TO CONTRACTED SERVICES

Currently, 4800 (91%) of DMRs residential clients are placed in residences under contract to private providers and 460 (9%) are placed in state- run residences. The average annual cost per client is $41000 in a private-run facility and $53000 in a state- run facility.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,760,000 **STAFFING REDUCTION:** 1,300

FY 1992 Secretariat: Health & Human Services

TRANSFER 600 STATE SCHOOL RESIDENTS TO COMMUNITY-BASED PROGRAMS BY FY93.

Currently, there are 2800 residents in DMR state schools. In addition to the Belchertown phasedown, which involves the transfer of 285 school residents to the community over a period of three years, DMR has plans to transfer 600 additional school residents to the community by the end FY93. DMR plans to transfer 300 school residents in FY92 and an additional 300 in FY93. The annual net cost per resident in DMR state schools is $60000, while the annual net cost per resident in a state-run and a private-run ICF/MR facility is $50000 and $44000 respectively. If the residents are transferred to state-run facilities, the FY93 savings would be $3.4 million. If the residents are transferred to private-run facilities, the FY93 savings would amount to $5.6 million, pending court approval.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,800,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCE DMR FACILITIES STAFFING BY 500 FTEs

Through negotiations with consent decree plaintiffs, DMR reduced state school staffing by 517 FTEs in FY91. DMR has also made a proposal to reduce the state school staffing an additional 1000 FTEs, which would result in staffing levels comparable to other states and consistent with Title XIX requirements, pending court approval.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1:

ANTICIPATED SAVINGS: $12,000,000 **STAFFING REDUCTION:** 500

FY 1992 Secretariat: Health & Human Services

REDUCE DMR FACILITIES STAFFING BY AN ADDITIONAL 500 FTEs

The second FTE reduction would require amendments to the consent decree staffing formulae and approval in Federal court.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1: ✔

ANTICIPATED SAVINGS: $12,000,000 **STAFFING REDUCTION:** 500

FY 1992 Secretariat: Health & Human Services

REDUCE DMR NON- RESIDENTIAL SERVICES BY 10%

This measure requires court approval.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCE GENERAL RELIEF EMERGENCY ASSISTANCE TO ONE MONTH

This proposal would limit fuel, rent, and utility arrearage payments to one month. Currently, GR ER will pay a maximum of three months of fuel, rent, and utility arrearages.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $7,140,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ELIMINATE COUNTY GRANTS FOR MINIMUM SECURITY

Corrections grants provide $5.5 million to county sheriffs to operate low security beds.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: $5,500,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Health & Human Services

LIMIT GENERAL RELIEF TO 12 MONTHS

This will limit benefits to non-institutionalized General Relief recipients to a 12 month period.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $15,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MAXIMIZE REVENUE AT SOLDIERS HOMES

Through a new initiative to sell Veteran's decals for license plates and through improvements in billings, the Soldiers Homes retained revenue will be increased.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $3,700,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MODIFY DMH PURCHASED MEDICAL SERVICE ARRANGEMENTS

Renegotiate medical contracts and pay significant portions of vendor payments on a fee for service, capturing savings for underutilized services.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,700,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

RELEVEL 10% OF CLIENTS IN DMR COMMUNITY PROGRAMS

Relevel clients in staffed apartments, residential facilities, and limited group residences into more appropriate less costly residences.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,350,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

PHASE DOWN NUMBER OF STATE EMPLOYEES IN PARTNERSHIP CLINICS

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1:

ANTICIPATED SAVINGS: $2,500,000 **STAFFING REDUCTION:** 100

FY 1992 Secretariat: Health & Human Services

REQUIRE SLIDING FEE FOR MR RESIDENTIAL SERVICES

Require parents to contribute to the cost of care in certain MR programs including Turning 22 programs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $1,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

BILL MEDICAID CLIENTS FOR PURCHASED TRANSPORTATION

Development of a data and billing system for transportation services for Medicaid and direct pay sources will increase revenue.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,600,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Health & Human Services

RESTRUCTURE BROAD-BASED DMR TRANSPORTATION SYSTEM

With court approval, restructure the transportation system, and replace numerous individual contracts with a regional contract. Develop a needs-based system which will be less costly and easier to manage.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $10,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CLAIM MEDICAID REIMBURSEMENT FOR PCA SERVICES IN DMR

Take advantage of federal reimbursement opportunities to receive Medicaid revenues for personal care assistance services performed by DMR certified providers.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $9,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MODIFY DMR CONTRACTS

Modify purchase of service arrangements to achieve a 10% savings by purchasing on a fee for service instead of grant basis.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,400,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REDUCE DMR COORDINATION

With court approval, allow reduction of service coordination to non-class members.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1:

ANTICIPATED SAVINGS: $2,475,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

FEDERAL REIMBURSEMENT FOR DSS SHELTERS

DSS will apply for federal reimbursement under Emergency Assistance for battered women's shelters and the New Chardon St. temporary home. Welfare currently receives reimbursement for its shelters for homeless families.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,300,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

INCREASE C. 766 COST SHARING FOR DSS GROUP CARE

DSS will increase number of cost sharing arrangement for children in C. 766 facilities.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

RAISE LICENSING FEES

OFC will raise fees by $.1 million in FY 91 and .5$ in FY 92

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

TRANSFER FUNCTIONS TO OFC TO EOHHS; ELIMINATE STATE FUNDING FOR CCR&R

OFC will become part of the Executive Office of Health & Human services and will be downsized by eliminating funding for Child Care Resource and Referral Centers.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,456,000 **STAFFING REDUCTION:**

FY 1992 Secretariat: Health & Human Services

REDUCE STAFFING RATIOS FOR DSS DAY CARE

DSS will bring staffing ratios in contracted child care system in line with OFC requirements. DSS ratios are currently more stringent than OFC standards.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

REORGANIZE WELFARE & MEDICAID

This proposal will close 5% of local Welfare offices and acheive a reduction of 300 FTEs through consolidation and attrition.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $5,465,000 **STAFFING REDUCTION:** 300

FY 1992 Secretariat: Health & Human Services

ELIMINATE GENERAL RELIEF EMPLOYMENT & TRAINING PROGRAM

This will prohibit GR recipients from participating in job training programs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,700,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

EXPAND GENERAL RELIEF TO SSI CONVERSIONS

This initiative reflects the impact of the case management conversion process currently underway at Welfare.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MAXIMIZE FEDERAL AID AND ATTENDENCE BENEFITS FOR VETERANS

This proposal expands upon the current Veterans Services/Medicaid Nursing Home project to further maximize federal veterans benefits.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $3,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

IMPLEMENT CHANGES IN VETERANS SERVICES ADMINISTRATION

Requires that state veterans benefits be paid only after all other resources (Medicaid, federal VA benefits) have been maximized.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

VETERANS BENEFITS RECOVERY PROJECT

This proposal could be implemented as as expanded Medicaid TPL initiative which seeks to recover federal veterans benefits lump sum payments intended for medical expenses.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $7,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CHARGE FOR INSTITUTIONAL COMMUNICATION ACCESSIBILITY TRAINING

In conjunction with the Americans with Disabilities Act of 1990, MCDHH will be conducting 50 training sessions. This initiative proposes charging $200 per session.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $10,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

CHARGE FOR INTERPRETER REFERRALS

MCDHH will charge only private requestors (corporations, hospitals, etc.)

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $99,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

ESTABLISH SUPPORTED LIVING PLACEMENTS FOR DISABLED NURSING HOME RESIDENTS

MRC in conjunction with Medicaid will Identify and place eligible disabled Medicaid recipients currenty residing in nursing homes in less costly supported living community placements.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $12,500,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

MODIFY MEDICAID STATE PLAN TO COVER MRC CLIENTS IN INDEPENDENT LIVING CENTERS

This proposal will shift 50 % of the state-funded costs at MRC for these clients to the federal share of Medicaid. MRC will provide the state match.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: House 1:

ANTICIPATED SAVINGS: $2,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

INCREASE TITLE IVE REVENUE THROUGH DSS

DSS will increase collections of Title IVE federal reimbursements for children in placement by $2 million.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Health & Human Services

SAVINGS TARGET

The Secretariat of Health & Human Services has agreed to a further FY 92 spending/revenue target of $84,553,000. Actions will include restructuring proposals for various service delivery systems to increase efficiency, cost effectiveness and revenue enhancements.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $64,553,000 **STAFFING REDUCTION:** ?

Labor and Industries

Estimated Savings

FY 91	$200,000
FY 92	$100,000

FY 1991 Secretariat: Labor & Industries

SAVINGS TARGET

*The Secretariat of Labor has agreed to a savings target of **$150,000.** Actions will include:*

- *Suspend dislocated workers and workplace illiteracy programs...$150 thousand*

FY 1992 Secretariat: Labor & Industries

REQUIRE INDUSTRIAL ACCIDENT BOARD TO PREDESIGNATE DOCTORS

Annualized, this proposal to predesignate doctors for Worker's Compensation claims is expected to save approximately $2M, per the MBTA. Because of 18 month lag, savings are only $1M in FY93. Legislation has already been filed by MBTA.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:**

FY 1992 Secretariat: Labor & Industries

ELIMINATE EMPLOYEE OWNERSHIP PROGRAM

Program is too small to have a significant effect.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $66,000 **STAFFING REDUCTION:**

Public Safety

Estimated Savings

FY 91	$8,500,000
FY 92	$7,700,000

Reorganization

- *The Department of Corrections and the Parole Board will be moved from the Executive Office of Human Services to the Executive Office of Public Safety.*

- *A reorganization plan for the Executive Office of Public Safety will provide for the further consolidation of the State Police, Metropolitan Police, Capitol Police and Registry Police into a single Police agency which will assume the functions of all four agencies.*

- *Consolidate the Architectural Access Board, the Division of Inspection and the Board of Building Regulations and Standards.*

FY 1991 Secretariat: Public Safety

SAVINGS TARGET

*The Secretariat of Public Safety has agreed to a savings target of **$8,500,000**. Actions will include:*

- *Reducing spending for Criminal Justice Training and support for armories...$600 thousand*
- *Consolidate and streamline Registry facilities & operations...$1.2 million*
- *Consolidate State, MDC, Capitol and Registry police...$2.5 million*
- *Freeze spending at current rates in Department of Corrections...$3 million*
- *Increase enforcement of truck weight limitations...$1.2 million*

FY 1992 Secretariat: Public Safety

CONSOLIDATE BUILDING INSPECTION FUNCTIONS

Consolidate Architectural Access Board, Board of Building Regulations and Standards, and Division of Inspection into one agency, eliminating duplicative functions performed by Architectural Access Board.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $185,000 **STAFFING REDUCTION:** 9

FY 1992 Secretariat: Public Safety

ACCELERATE POLICE CONSOLIDATION

Police consolidation of Capitol Police, Department of Public Safety, Metropolitan District Commission, and Registry of Motor Vehicles.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $3,125,000 **STAFFING REDUCTION:** ?

FY 1992 Secretariat: Public Safety

USE CLERK EXAMINERS FOR WRITTEN EXAMINATIONS AT REGISTRY

Currently, officers of the Registry Police force conduct written examinations at branch offices. By replacing these officers ($689/week) with 30 lower-paid clerk examiners ($307/week), we could save 52 X 30 X (689-307) = $595,000 each year.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $595,000 **STAFFING REDUCTION:** 30

FY 1992 Secretariat: Public Safety

CONSOLIDATE REGISTRY OPERATIONS

Close 18 of the 37 branch offices. Savings are obtained through layoffs of managers, 13% of clerical personnel, and through discontinued rent and utility payments. Assumes no space expansion required at remaining offices.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $2,159,000 **STAFFING REDUCTION:** 62

FY 1992 Secretariat: Public Safety

REDUCE USAGE OF POLICE ON DPW SITES

Massachusetts is one of the few states that use police, in cruisers, at construction sites. Duty assignments are for a minimum of four hours and usually paid as overtime at $26/hour. Using flagmen instead at $10/hour will free officers to spend overtime hours on patrol. DPW is currently considering using existing staff for this function. Assuming savings of $16/hour for an 8 hour day, 240 days a year, for 52 construction projects, the savings each year would be $1,597,440 to the capital budget.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $1,600,000 **STAFFING REDUCTION:**

Transportation

Estimated Savings

FY 91	$54,000,000
FY 92	$47,200,000

Reorganization

- *Abolish the Metropolitan District Commission, moving its parks, zoos and rinks into the Division of Environmental Management and its roads into the Department of Public Works.*

- *Abolish the Public Works Commission and replace it with a single commissioner.*

FY 1991 Secretariat: Transportation

SAVINGS TARGET

The Secretariat of Transportation has agreed to a savings target of $54,000,000. Actions will include:

- *Freeze spending at current rate in personnel accounts...$4 million*
- *Collect outstanding receivables owed for completed highway projects...$10 million*
- *Modify timetable of highway and bridge program...$40 million*

FY 1992 Secretariat: Transportation

EMPOWER MBTA TO ACT AS ELECTRIC UTILITY

This proposal would allow the MBTA to purchase electricity wholesale, as a member of New England Power Pool. Annualized, this proposal is worth $2-3M. (FY93 savings amount reflects that the State appropriation is lagged 18 months - FY93 appropriation covers CY91 MBTA cost).

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Transportation

LIMIT MBTA TORT LIABILITY

This proposal would cap MBTA tort liability at $100,000 for pain & suffering. Cities and towns have same cap. Annualized, this proposal is worth at least $1M (FY93 savings amount reflects fact that the State appropriation is lagged 18 months - FY93 appropriation covers CY91 MBTA cost).

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Transportation

ALLOW ADVERTISING ON EXTERIOR OF NEW VEHICLES

Currently, for aesthetic reasons, the MBTA is prohibited from allowing advertising on the exterior of new vehicles. However, for revenue considerations, this policy could be revoked. Annualized, the value of this proposal is $1M.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Transportation

ALLOW MBTA TO ENTER 'CROSS-BORDER' LEASES

The MBTA attempts already to lease equipment with foreign banks. (This provides a tax break to foreign entities and saves the MBTA money). Each negotiation represents a one-time savings. If successful, it could be worth a few million dollars, realized in FY 94.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION: 0**

FY 1992 Secretariat: Transportation

INCREASE MBTA FARES

Subways: $.75 to $1.00; buses: $.50 to $.75. Savings assume an effective date of 7/1/91. These savings could be generated in FY92 if law changed and fare increases dedicated to defraying debt service costs.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $21,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

DISCOUNTS FOR BULK PURCHASES OF MBTA TOKENS

This proposal, intended to be coupled with fare increases, would grant discounts for bulk purchases of MBTA tokens or purchase of MBTA monthly passes.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

REPEAL BINDING ARBITRATION STATUTES FOR MBTA UNIONS

Specifically, this proposal would compel arbitrators to use "last best offer" for most of arbitration. Most recently, the arbitrator chose a percentage raise above the Union's request, which cost the MBTA $30M more than it had budgeted for. Savings not realized until FY 93.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

REQUIRE MBTA RETIREES TO CONTRIBUTE TO HEALTH INSURANCE

Currently, retirees under the age of 65 incur medical expenses costing the MBTA $8.8M (FY91). Were these retirees to pay 10% of their medical costs, as do current MBTA employees, annualized savings would be around $1M, according to the MBTA, but can't be realized until FY 93.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

A&F SECRETARY TO ADVISE OF SUBSIDY AMOUNT PROSPECTIVELY

This proposal would require that the Secretary of Administration & Finance advise the MBTA prospectively of the amount of the Commonwealth subsidy. This subsidy has risen by 13% over the past 5 years (although operating costs have risen 7% a year, debt service reimbursement has doubled in 4 years). FY 93 savings of $11.6M assume a 5% increase in the amount of subsidy.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

CAP RATE OF GROWTH OF FUTURE STATE CONTRIBUTION TO MBTA

At least two General Appropriation Acts (FY90 and FY91) have attempted to limit the rate of growth of the state's appropriation for contract assistance. However because of the 18 month lag in payments to the MBTA, the Commonwealth would not feel the benefit of this proposal until halfway through FY93, under current law.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

LIMIT MBTA CAPITAL SPENDING

The Commonwealth pays 90% of the MBTA's debt service. However, unlike its relationship with the Secretariats, the Commonwealth has had little direct control over MBTA capital spending. The majority of savings would accrue in future years. It should be noted however, that the MBTA Advisory Board has capped FY92 MBTA capital spending @ $300M. Savings calculations are based on a reduction in capital spending to $200M.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $1,900,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Transportation

ASSESS TURNPIKE AUTHORITY FOR COST OF SNOW/ICE REMOVAL

This proposal would allow a negotiated agreement that the MTA pay the costs of removing snow/ice from all state roads.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $24,200,000 **STAFFING REDUCTION:** 0

Attorney General

Estimated Savings

FY 91	$300,000
FY 92	$0

FY 1991 Secretariat: Attorney General

SAVINGS TARGET

The Attorney General has agreed to a savings target of $300,000. Actions will include:

- *Reduced litigation expense..$300 thousand*

Auditor

Reorganization

- Eliminate duplicative agency fiscal sections and transfer necessary audit functions to the State Auditor.

Treasurer

Estimated Savings

FY 91	$1,000,000
FY 92	$264,034,000

Reorganization

- *The Retirement Law Commission will be eliminated.*

FY 1991 Secretariat: Treasurer

SAVINGS TARGET

*The Treasurer's Office has agreed to a savings target of **$1,000,000**. Actions will include:*

- *Staff reductions and streamlined management...$1 million*

FY 1992 Secretariat: Treasurer

STATE AND TEACHERS RETIREMENT BOARD CONSOLIDATION

Consolidate Teachers' Retirement Board Administration with State Retirement Board. 10% savings assumed.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $336,000 **STAFFING REDUCTION:** 9

FY 1992 Secretariat: Treasurer

PRIVATIZE PENSION ADMINISTRATION & FUND FROM PENSION RESERVE

Pension administration may be more efficient and less costly if privatized.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $3,919,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Treasurer

ELIMINATE RETIREMENT LAW COMMISSION

RLC functions are already covered by the Public Employee Retirement Administration.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $115,000 **STAFFING REDUCTION:** 3

FY 1992 Secretariat: Treasurer

DEBT RESTRUCTURING

Refunding certain debt will reduce the escalation in debt service caused by deficit borrowing for FY 90.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $259,664,000 **STAFFING REDUCTION:**

Judiciary

Estimated Savings

FY 91	$5,000,000
FY 92	$22,500,000

Reorganization

- *Reform the administration and management of the court system.*

FY 1991 Secretariat: Judiciary

SAVINGS TARGET

*Savings targets to the Judiciary total **$5,000,000**. Actions will include:*

- *Reducing. by the supplemental budget..$5 million*

FY 1992 Secretariat: Judiciary

COURT REFORM: IMPROVED MANAGEMENT

Empower the Chief Justices of the Supreme Judicial Court (or his designee) to be responsible for the management of Court personnel, finances, facilities, administration and business.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $22,500,000 **STAFFING REDUCTION:** ?

Cities and Towns

Estimated Savings

FY 91	$0
FY 92	$270,600,000

FY 1992 Secretariat: Cities and Towns [Local Aid]

INCLUDE NEW GROWTH IN LEVY LIMIT

Including all new growth in a community's property tax levy limit will increase total property tax revenues by $7,000,000.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

REDUCE REVENUE SHARING TO CITIES & TOWNS

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $250,000,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

REDUCE REVENUE SHARING TO REGIONAL SCHOOLS

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: House 1: ✔

ANTICIPATED SAVINGS: $20,600,000 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

REMOVE STATUTORY IMPEDIMENTS TO LOCAL COLLABORATIVES

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

ADJUST LOCAL EMPLOYEE CONTRIBUTION TO HEALTH INSURANCE COSTS

This proposal would increase local employees' contribution to HMO's to the level of contributions to indemnity plans, similar to reforms of the state employees' health insurance plans. Savings to municipalities will be $8,000,000.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

REPEAL 'CANCER PRESUMPTION' LAW

Municipal pension costs are high due to the legal presumption that impairment to health in certain occupations is job related. This would repeal the presumption that certain cancers for firefighters are also job related. The repeal would not prevent the ability of firefighters to demonstrate the job relatedness of cancer. Savings to cities and towns are estimated to be $1,400,000.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities & Towns [Local Aid]

REFORM OF SPECIAL EDUCATION [C.766]

Changing certain C. 766 standards to federal standards will create savings in local school system costs. Savings to cities and towns are estimated at $54,000,000.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: ✔ Legislation: ✔ House 1:

ANTICIPATED SAVINGS: $0 **STAFFING REDUCTION:** 0

FY 1992 Secretariat: Cities and Towns [Local Aid]

MODIFY PREVAILING WAGE LAW

Projects of under $250,000 would be exempt from the Prevailing Wage Law. I is estimated that this proposal will save cities and towns approximately $50 million.

MECHANISM FOR SAVINGS:

Allotment: Federal Waiver: Legislation: ✔ House 1:

ANTICIPATED SAVINGS: **STAFFING REDUCTION:** 0